No Objection To Declassification in Full 2011/05/02 : LOC-HAK-185-7-26-1

SCOWCROFT

168 L. L.

OIL PRODUCING COUNTRIES INCREASE CRUDE OIL PRICES

OIL PRICE

KUWAIT (AP)-THE SIX LARGEST OIL PRODUCING COUNTRIES ON THE PERSIAN GULF ANNOUNCED A 17 PER CENT INCREASE IN THEIR CRUDE OIL EARLY WEDNESDAY, BUT SAID THE MOVE HAD NOTHING TO DO WITH THE MIDDLE EAST WAR.

A GROUP OF ARAB OIL EXPORTING NATIONS WILL MEET HERE LATER WEDNESDAY TO DECIDE HOW TO USE THEIR OIL AS A WEAPON IN THE ARAB CAUSE IN THE WAR AGAINST ISRAEL.

THE PRICE INCREASE - FROM $3.02 TO $3.65 A BARREL FOR STANDARD LIGHT ARABIAN CRUDE - IS NOT EXPECTED TO AFFECT THE U.S. CONSUMER RIGHT AWAY. THE MOST DIRECT IMMEDIATE AFFECT IS LIKELY TO BE ON EUROPE AND JAPAN WHICH DEPEND MOSTLY ON THE MIDDLE EAST FOR THEIR OIL.

THE UNITED STATES DEPENDS UPON THE MIDDLE EAST FOR ABOUT 6 PER CENT OF ITS OIL NEEDS.

CZ1&PED 10/16

169

KUWAIT ALLOCATES $350M TO SUPPORT ARABS

OIL

KUWAIT (AP)-THE KUWAIT ASSEMBLY VOTED TODAY TO ALLOCATE $350 MILLION TO SUPPORT THE ARABS IN THEIR WAR WITH ISRAEL.

THE ANNOUNCEMENT ON THE USE OF OIL REVENUES TO SUPPORT THE WAR CAME ON THE EVE OF A MEETING OF THE ORGANIZATION OF ARAB PETROLEUM EXPORTING COUNTRIES THAT IS DECIDE HOW ITS MEMBERS SHOULD USE THEIR OIL AS A WEAPON AGAINST ISRAEL AND ITS CHIEF BACKER, THE UNITED STATES.

CZ820PED 10/16

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